INFO	OCT-00	AOS-00	AID-07	INR-10	EUR-12	SS-15	OIC-02	
	CIAE-00	EB-08	EA-10	DODE-00	H-01	IO-14	NEA-06	
	NSCE-00	COME-00	SY-05	HA-06	L-03	TRSE-00	PM-09	
	PA-01	OCT-02	VO-05	OMB-01	INRE-00	SIG-03	RP-10	
	ACDA-12	ICAE-00	SYE-00	SP-02	SR-04	SPRS-02	/166 R	

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ARA/CEN:RGERSHENSON
INR:ORANDOLPH

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FM SECSTATE WASHDC
TO ALL OECD CAPITALS IMMEDIATE
ALL AMERICAN REPUBLIC DIPLOMATIC POSTS
AMEMBASSY CANBERRA IMMEDIATE
USMISSION GENEVA IMMEDIATE
USMISSION USNATO IMMEDIATE
USMISSION USUN NEW YORK IMMEDIATE
USSOUTHCOM QUARRY HTS IMMEDIATE 0000
AMEMBASSY WELLINGTON IMMEDIATE

C O N F I D E N T I A L STATE 081185

USEEC/USDECO ALSO FOR EMBASSY, AMREP HANOLE AS IMMEDIATE

E.O. 12065: GDS 3/30/87 (CHEEK, JAMES R.)

TAGS: PINS, PINT, ES

SUBJECT: SUMMARY OF DEVELOPMENTS IN EL SALVADOR - NUMBER 4
REF: STATE 73818

1. (U) INTRODUCTION: THIS IS THE FOURTH IN A SERIES OF MESSAGES ON DEVELOPMENTS IN EL SALVADOR. IT COVERS THE PERIOD MARCH 22-28, 1981. WE WOULD APPRECIATE COMMENTS FROM POSTS AS TO THE USEFULNESS OF THIS SERIES AND HOW IT MIGHT BE IMPROVED.

3. (C) ALLEGED REFUGEE MASSACRE: A WIDELY PUBLICIZED SAN DIEGO UNION STORY ALLEGES THAT THE SALVADORAN ARMED FORCES USING "HELICOPTER GUNSHIPS" RECENTLY KILLED SCORES OF CIVILIANS AS THEY ATTEMPTED TO FLEE ACROSS THE LEMPA RIVER INTO HONDURAS ON MARCH 26 THE SALVADORAN ARMED FORCES DENIED THE REPORT. A MEMBER OF THE OAS OBSERVER TEAM WHO VISITED THE AREA MARCH 25 TOLD OUR EMBASSY HE SAW EVIDENCE OF A NEW INFLUX OF REFUGEES AS A RESULT OF CLASHES WITH THE GUERRILLAS. HE SAID, HOWEVER, THAT INTERVIEWS WITH PEOPLE IN THE AREA FAILED TO PRODUCE ANY EVIDENCE OF A "MASSACRE." OTHER REPORTS SUGGEST CIVILIANS MAY INDEED HAVE DIED AS THEY TRIED TO CROSS THE RAIN-SWOLLEN LEMPA RIVER AT THE HONDURAN BORDER.

4. (C) VIOLENCE: THE EMBASSY REPORTED AT LEAST 136 PERSONS KILLED MARCH 7-13 IN VIOLENCE, OF WHICH 24 WERE KILLED BY THE GUERRILLAS AND 17, MAINLY CURFEW VIOLATERS, WERE KILLED BY THE MILITARY. THE BALANCE WAS MADE UP OF PEOPLE FOUND SIMPLY "DEAD OF GUNSHOT WOUNDS." AMONG INCIDENTS REPORTED WERE ATTACKS ON MILITARY PATROLS, BOMBS EXPLODED AT A BANK AND AT THE HOME OF JUNTA MEMBER MORALES-ERLICH'S FATHER-IN-LAW, AND AN ATTACK ON A CIVILIAN BUS UNDER MILITARY ESCORT IN WHICH FIVE PERSONS DIED. ON MARCH 25 OUR EMBASSY WAS ATTACKED BY A CHINESE MADE RPG-2 ROCKET PROPELLED GRENADE; THE INCIDENT WAS PRECEDED BY RIFLE AND AUTOMATIC WEAPON FIRE FROM TWO VEHICLES. THERE WERE NO INJURIES. SUBSEQUENTLY THE FMLN GUERRILLA GROUP FLP CLAIMED RESPONSIBILITY FOR THE INCIDENT AS A "MEMORIAL" TO ARCHBISHOP ROMERO. THE FMLN HAD ISSUED A CALL FOR A 24-HOUR UNILATERAL CEASEFIRE MARCH 24 TO COMMEMORATE THEDEATH OF ROMERO.

6. (U) BUSINESS GROUPS: IN A PAID ADVERTISEMENT SALVADOR'S ALLIANZA PRODUCTIVA (AP) LASHED BACK AT GOES CRITICISM OF THE AP'S CALL THAT THE GOES NOT ENGAGE IN A DIALOGUE WITH LEFTIST GROUPS. THE AP SAID ITS POSITION HAD BEEN DISTORTED BY UNNAMED GOES LEADERS WHO SUGGESTED THAT THE AP WAS SEEKING TO RE-ESTABLISH AUTHORITARIAN GOVERNMENT BY A COUP IN ORDER TO REALIZE A RETURN TO "THE ENJOYMENT OF OLD PRIVILEGES." THE AP NOTED THAT FREE, HONEST ELECTIONS REPRESENT ONE POSSIBLE SOLUTION FOR THE POLITICAL CRISIS IN EL SALVADOR.

7. (U) U.S. ECONOMIC ASSISTANCE: THE U.S. ANNOUNCED ITS INTENTION TO INCREASE TOTAL ECONOMIC AID TO EL SALVADOR FROM DOLS 63.055 MILLION TO DOLS 126.555 MILLION IN FY 81, MORE THAN THREE TIMES AS LARGE AS U.S. SECURITY ASSISTANCE (DOLS 35.4 MILLION). INCREASES INCLUDE DOLS 24.9 MILLION FOR ECONOMIC SUPPORT FUNDS, DOLS 13.5 MILLION FOR PL TITLE I, DOLS 10 MILLION FOR HOUSING GUARANTEES, DOLS 8 MILLION COMMODITY CREDIT CORPORATION, AND DOLS 7.1 MILLION IN DEVELOPMENT ASSISTANCE LOANS. THE GOES ALSO NEEDS ADDITIONAL ASSISTANCE THIS YEAR FROM INTERNATIONAL ORGANIZATIONS AND OTHER GOVERNMENTS.